Treasury Notes



WISCONSIN OFFICE OF "KEEPING AN EYE ON YOUR MONEY"

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Wisconsin Treasurer Not Expanding Office

Conversion of 4 current positions to permanent in Unclaimed Property Division

State Treasurer Kurt Schuller is not creating new jobs nor expanding the Unclaimed Property Division as one State Representative stated this month in a press release. Schuller is simply converting four temporary positions, rather than adding additional staff as suggested by the fellow Republican publicly questioning the move.

"I think it is unfortunate he doesn't seem to understand the nature of this request that he referenced," State Treasurer Kurt Schuller said. "I called him this morning to answer his questions and clear up the confu- October Auction \$8,000+ sion."

The Unclaimed Property Division in the Office of the State Treasurer currently has 7.95 positions. After these 4 positions are converted to staff jobs, there will still be 7.95 positions. Those individuals returned nearly \$500,000 in unclaimed property to citizens the first week of October

"We handle private information for citizens and would prefer those people handling such sensitive data are permanent and invested in this agency, rather than bringing in wave after wave of temporary help,"



Treasurer Kurt Schuller, Madison

State Treasurer Schuller said. "These people currently work here. Their status is changing. That's it."

Schuller did campaign to eliminate the Office of the State Treasurer then drafted "Assembly Joint Resolution 26" to do so. The Legislature opted not to take action on the measure. Post AJR 26, Schuller concedes, there will be an election for a new State Treasurer in 2014 and the office will still exist. It will continue to operate off of interest earned on the

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10 Gold Sovereigns Sold for \$4780

October's monthly Ebay Auction generated \$8,378.57.

The Office of the State Treasurer implemented a new policy starting in October to run the auctions on Ebay the first Thursday of each month. Previously, there were monthly auctions which launched sporatically in different weeks.

October's auction featured for the first time themed lots. For example, "Liberty and Justice for All" consisted of several collectible coins. It sold for \$526.

Gold Sovereign coins were the marquee item for this auction bringing in \$4780.

Each year, the Wisconsin State Treasurers Office receives the contents of safe deposit boxes

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OST Educating Wisconsin Business Compliance

150,000 Registered Businesses.: Few Reporting Unclaimed Assets They Hold

The Office of the State Treasurer is educating Wisconsin Businesses on how to comply with Holder Reporting Laws.

"We expect all registered businesses in Wisconsin to comply with Unclaimed Property laws," State Treasurer Kurt Schuller said. "There are some 150,000 registered businesses here. Only 2,550 filed reports with us last year. That needs to change. People deserve to have their money."

Typically, businesses will have payroll checks, expense and commission payments, refunds, worker compensation benefits, vendor payments, insurance and pension payments, dividends and other securities earnings which never make it to the hands of the rightful owners or heirs. But those assets are not turned over by businesses to the Holder Reporting department of OST either. That is illegal.

Holder Reporting is now offering a compliance partnership with businesses to remedy this.

"The focus will be to educate the business community rather than penalize it and to demonstrate that compliance benefits everyone," Director of Unclaimed Property Mary Celentani said. "Each year we return millions of dollars to citizens as well as Wisconsin businesses."

In September, the Deputy Treasurer Scott Feldt along with the Directors of Unclaimed Property and Holder Reporting met with members of the State Bar of Wisconsin as well WICPA... Wisconsin Institute of Certified Public Accountants.

The Agency representatives laid out for both organizations Wisconsin's "Holder Reporting" laws, distributed supportive materials and forms as well as answered questions on the history and scope of Unclaimed Property Laws.

"First, we will work toward creating an amnesty program," Celentani said.

Under that program, OST would allow Wisconsin businesses to report past due amounts without assessment of interest, penalties, or forfeitures.

Under Wisconsin's Uniform Unclaimed Property Act, Chapter 177, the Office of the State Treasurer can impose penalties including 18% interest; Fines of \$100/day up to \$5,000; and fines of 25% of the value of all unreported properties should it choose to.

"We would prefer business compliance," Deputy Treasurer Scott Feldt said. "So we will give them that opportunity before we exercise our full audit powers. But in



Rainy Autumn Evening, Madison

some cases, that may be the only option."

Currently, OST works with five auditing firms specializing in unclaimed property.

In September, two audits were called against Brown Shoe Company and Vemeer Manufacturing. Both are out of State companies doing business in Wisconsin. Both regularly fail to report.

"Wisconsin is open for business," Feldt said. "We want to help companies operate here legally. It's a win-win situation for everyone."

The Big Board

| <u>Unclaimed Property (numbers approx.)</u> | | Local Gov. Investment Pool - Sept. 2012 | |
|---|----------------------------|--|----------------------------|
| | September 2012 | \$2,421,657,140 | September Balance |
| \$401,821,422 | Program Value | \$43,768,984 | Total Deposits |
| 2,011,358 | Number of Accounts | \$61,804,650 | Total Withdrawals |
| | | \$333,807 | Interest Earnings |
| 1,905 | Claims Paid September 2012 | Ψ333,007 | interest Earnings |
| \$2,326,047 | Claims September 2012 | College Savings Plan—September 2012 | |
| | | 891 | New Accounts |
| \$29,650,115 | Amount in Claims Paid | 263,399 | Total Accounts |
| | (2012) | \$2,908,763,977 | |
| 26,537 | Number of Claims Paid | Ψ2,5 00,7 05, 577 | 110grain varae |
| | (2012) | Board of Comp | nissioners of Public Lands |
| \$12,292,848 | Amount Remitted from | | prox) - September 2012 |
| | Holders | \$876,789,725 | |
| | (Feb. 2012-September 012) | 76,348 | Acres under Stewardship |
| | | \$133.4 million | 1 |
| 2,550 | Holder Reports | ψ1 <i>33.</i> Τ ΠΠΠΙΟΠ | |
| | (Feb. 2012September 2012) | | Libraries (2008-2012) |
| | | | |

What Do These Numbers Mean?

Program Value how much money and securities is being held in the account administered by the Office of the State Treasurer.

Number of Accounts how many different property owners we have in our database. There could be multiple properties under one account/owner name. Often that is the case.

Claims Paid number of claims monthly paid out of that \$400 Million dollars listed above and held in perpetuity. In September, 1,905 claims were processed and paid out of the Office of the State Treasurer. OST is legally obligat-

ed to pay out any claim within 90 days.

Amount in Claims amount of money paid out to owners or heirs of unclaimed property held in the OST account. To date, \$29 Million is back in the hands of citizens

Number of Claims Paid number of claims processed by OST to date in 2012. Those claims are processed by 4 people, 3 of whom hold project positions the Treasurer requested be converted to permanent positions.

Amount Remitted from Hold-

ers Very few understand much about Holder Reporting. Some Businesses hold property never claimed by their employees. To date, more than \$12 Million of such property was turned over to OST from businesses.

Holder Reports number of reports OST receives from businesses registered in Wisconsin who admit or believe they may be holding unclaimed property. Then, it is turned over to OST for distribution to its rightful owners or their heirs.

Treasury Notes



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"KEEPING AN EYE ON YOUR MONEY"

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The State Treasurer is tasked with managing more than \$400 million in Unclaimed Property. He also servers as Commissioner on the Board of Commissioners of Public Lands. Additionally, I he is an avid promoter of Wisconsin's College Savings Plans the and Local Government Investment Pool.

Unclaimed Property: The office maintains custody and records for all property received under the uniform unclaimed property act and general escheat laws. Those with unclaimed property submit proper paperwork and examiners work to get their money back to them as quickly as possible.

Wisconsin's "529" College Savings Plan: Known as EdVest. The funds are managed by Wells Fargo Funds Management, LLC. You can open an account on behalf of a designated beneficiary and the earnings will grow state and federal tax free until the time the beneficiary is ready to continue their post-secondary education including two and four-year colleges, technical, vocational, and graduate schools. Wisconsin residents can claim up to a \$3,000 credit on state taxes per account.

The Local Government Investment Pool: This program allows local government entities to pool funds with state funds which are then invested by the State of Wisconsin Investment Board. Funds deposited in the pool are available for withdrawal on one day's notice and without penalty on interest earnings. Interest is credited to the local government accounts monthly. Average daily balance in the pool now exceeds \$3.1 billion.

For questions regarding "Treasury Notes", please email Cynthia Kaump, Communications Director at Cynthia.Kaump@Wisconsin.gov or call her at 608-266-5757.

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WI State Treasurer
Kurt Schuller

Wisconsin Unclaimed
Property

EdVest, Wisconsin's College Savings Plan



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account holding all unclaimed property, rather than general taxpayer funds. He asked the Legislature to empower the Office of the State Treasurer if it will not eliminate it.

There is more than \$400 million dollars in unclaimed assets held by the State Treasury. This money comes from forgotten paychecks, insurance premium overpayments, utility deposits, forgotten bank accounts, forgotten stocks, abandoned safe deposit boxes and many other forms of assets that have been lost, forgotten about or that people did not even know they had! There are more than 2 million "properties" held by the Office of State Treasurer.

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which have been abandoned for at least five years. OST attempts to return the contents to the owners or rightful heirs.

If those efforts prove fruitless, the items go up for auction.

OST holds all Unclaimed Property and assets from the sale of property in perpetuity per the Wisconsin Unclaimed Property Act, Chapter 177.

To date in 2012, the auctions generated \$57,911.



T-Notes is a newsletter provided to Legislators, their staff and the Media to provide them with news pertaining to the function of Office of State Treasurer. T-Notes is published at no cost to the taxpayers; the office does not run on taxpayer dollars.